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April 18, 1997



Mr. David Guzy
Chief, Rules and Publication Staff
Minerals Management Service
Royalty Management Program
P. O. Box 25165, MS 3101
Denver, CO 80225-0165

Re: Proposed New Rule on Oil Valuation for
Federal Royalty on Federal Oil Sales

Dear Mr. Guzy:

I represent Mr. W. A. Moncrief, Jr. of Fort Worth, Texas. Mr. Moncrief is a large independent explorer, developer and producer of oil and gas on Federal, State and Fee lands throughout the United States. Pertaining to your meeting in Denver April 15, 1997 regarding the referenced, I concur one hundred percent in the numerous comments by individuals representing our trade associations, various oil and gas companies and independents against your proposed rule change. We recommend that you retain the 1988 Rule and adopt a full RIK program.

I need not comment further since all that was said at Tuesday's meeting is on record. The bottom line is, your proposed new rule is not reasonable, we do not want to rely on Wall Street for price valuation (a "paper price" not leasehold price), and your new analysis has no real known professional backing even though you said it did.

Very truly yours,

W. A. MONCRIEF, JR.

By: G. L. Kutchins
G. L. Kutchins
Joint Operations Manager

GLK/tlh